



2. PROJECT PROFILE ON ENGINEERING WORKSHOP

Category : Service

Total Cost of Project : Rs. 4,13,000/-

BEP : 47 %

I. INTRODUCTION OF BUSINESS IDEA :

The project envisages undertaking miscellaneous repair jobs like turning, boring, drilling, etc.

II. PRODUCT AND ITS APPLICATIONS :

The unit proposes to provide repair services to industries and others. Also, take up small job works of industries ca.

III. MARKET POTENTIAL :

As the workshop is equipped with general type of machine like lathe, drilling, etc no market problem is likely to be faced. Although there may be a number of such type of shops, but depending upon the proper locations of such workshops and delivering quality goods/service to the customers shall eliminate the difficulties of facing the market problem.

IV. CAPACITY / REVENUE :(1ST YEAR)

Sl. No.	Product	Total Hrs	Amounts Hr	Total Amount
01	Complete jobs of turning utilized	1,800 hr	Rs 300/ hr	5,40,000
02	Completing job work of drilling using 2 Machines i.e. drilling holes in valve tappets of diesel engine & cylinder plates	1,200 hr	Rs. 250/hr	3,00,000
	Total			8,40,000

V. MANUFACTURING PROCESS & QUALITY :

Maximum No. of jobs accepted shall be of turning and boring where the use of lathe is necessary. The jobs are directly mounted on lathe and turning or boring operations are completed. In such cases where the jobs need welding it will be got done from outside and if further turning is necessary it will be done on lathe.

The provision for maintaining quality & standards for the jobs to be undertaken has been made by providing precision instruments. No pollution control need be implemented, as it is a non-pollution industry. Energy conservation needed.



VI. COST OF PROJECT AND MEANS OF FINANCE, INCLUDING WORKING CAPITAL REQUIREMENTS :

A. COST OF PROJECT :

Sl. No.	Particulars	Amount (Rs.)
1	Equipments	2,45,000
2	Other fixed assets	70,000
3	Preliminary and preoperative expenses	10,000
4	Deposits	50,000
5	Working Capital Requirements	38,000
	Total	4,13,000

B. MEANS OF FINANCE:

Sl. No.	Particulars	Amount (Rs.)
1	Loan @ 75% (Excluding deposits)	3,10,000
2	Equity	1,03,000
	Total	4,13,000

C. WORKING CAPITAL REQUIREMENT :

Sl. No.	Particulars	Basis	Period	Amount (Rs.)
1	Raw-material	1,20,000/12 x 1	1 month	10,000
2	Bills receivables	8,40,000/12 x 1/4	1 week	18,000
3	Working exp		1 month	10,000
	Total			38,000

VII. MAIN INPUTS REQUIREMENT :

A. MACHINERY / EQUIPMENTS :

Sl. No.	Particulars	No.	Total Cost
01.	Lathe machine with motor	1 Nos	80,000
02.	Drilling machine vertical type 30mm cap	1 Nos	40,000
03.	Drilling machine vertical type 20mm cap	1 Nos	30,000
04.	Bench grinder	1 Nos	15,000
05.	Précision Instruments like vernier , micrometer etc	1 set	10,000
06.	Other fixed Assets (Electrification & installation, tools & accessories , furniture etc)	LS	70,000
	Total		2,45,000

**B. RAW-MATERIALS :**

Sl. No.	Particulars	Qty	Monthly Charges	Yearly Charges (Rs.)
1	Nuts , Bolts , drill bits etc	Lump sum	10000	1,20,000
	Total			1,20,000

C. UTILITIES :

Sl. No.	Particulars	Monthly Charges (Rs.)	Annually Charges (Rs.)
1	Electricity	9,000	1,08,000
	Total		1,08,000

D. MAN-POWER REQUIREMENT :

Sl. No.	Workers	No.	Monthly Salary (Rs.)	Annual Salary (Rs.)
01	Foreman- cum skilled operator	1	9,000	1,08,000
02	Skilled workers	1	6,000	72,000
03	Unskilled workers	1	5,000	60,000
	Total			2,40,000

E. MAIN INFRASTRUCTURE REQUIREMENT :

Building	Built up space 50x 20 sq.ft rented.
Power	5 H P power connection is required.
Water	500 liters per day.

VIII. PROFITABILITY PROJECTION (ANNUAL) :

Particulars	Basis	Amount (Rs.)
Sales Revenue (Projected)	Ref : IV	8,40,000
Raw Materials	Ref : VII B	1,20,000
Man power expenses	Ref : VII D	2,40,000
Utilities	Ref : VII C	1,08,000
Interest	@ 12%	37,000
Depreciation	15 % SLM	37,000
Overheads (rent and maintenance etc.)		1,00,000
Total Expenses		6,42,000
Profit		1,98,000



IX. FINANCIAL INDICATOR :

Break Even Point $\frac{FC}{SR-VC} \times 100$	$\frac{174000}{372000} \times 100$	47%
Payback period $\frac{COP}{\text{Profit} + \text{Deprn.}}$	$\frac{413000}{235000}$	1 year 9 months

X. ADDRESSES :

SUPPLIERS OF EQUIPMENTS :

Raman engineering corporation.
No 6. Narasimharaja Road,
Osmania Building,
Bangalore -2.

SUPPLIERS OF RAW MATERIAL :

Steel Master,
177. P.Box. no:6818, B.N. Street,
Bangalore-2.

XI. SPECIAL NOTE :

Entrepreneur should develop network with existing manufacturers.